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CAMPAIGN 2000: WHEN IS A FEE REALLY A TAX??? **CALIF. BUSINESS BACKS NOVEMBER 7TH INITIATIVE.**

Editor's note: Calpeek readers will be hearing lots of info about this new initiative, which as we write, is being turned in to county registrars across Calif. Sources believe this constitutional amendment will qualify for the Nov. 7th ballot. Here's our first report & analysis...

...The official title is *Fee, Taxes. New Definitions, Vote Requirements*. Backers of this measure call it the Taxpayer Protection Act. The opponents call it The Polluter Protection Act. You can already see where this is going in terms of a campaign. It will pit Calif.'s powerful business community against environmental groups and perhaps a majority of the cities and counties in Calif...

...From the business point of view, this initiative is needed to overturn a Calif. Supreme Court decision known as *Sinclair Paint vs. Board of Equalization*. In 1991, the Calif. Legislature passed the *Childhood Lead Poisoning Prevention Act*. It was the Legislature's answer to dealing with little kids eating lead-based paint chips – a huge health problem back then. Part of the act required paint manufacturers to pay a \$1 per can fee as part of the mitigation process. The fee was based on market share. Sinclair Paint sued and won in the lower courts, but lost in the Calif. Supreme Court. This initiative will not only overturn that 1997 decision, but will require a 2/3rds vote because these types of levies will be defined as taxes should this measure be approved...

...The Calif. Chamber of Commerce and the Calif. Taxpayers Assn. are leading the charge for the business community. Currently they go under the committee name of Business & Taxpayers for Fair Fees. They have hired Goddard Clausen/Porter Novelli as their lead consultant, with Nelson Communications handling outreach and press. Sources for the YES side say this should not be a Big Green situation since corporations who pollute can still be held responsible for clean up...

...There is no formal opposition campaign as yet, but you can bet your first born this will change. Doug Linney of

Oakland-based Next Generation is putting the outreach program together and lobbyist Lenny Goldberg is taking a role as spokesperson until things get rolling. Goldberg disagrees with the YES side and says if this measure is approved, "Large corporations won't have to pay to clean up their own mess." He says this measure will shift the costs of clean up from the corporate polluters to local taxpayers – and this is why he's hoping some of the major taxpayer groups will take a long look at this business-supported initiative. Next big fight involving this type of mitigation fee: MTBE and possible pollution of underground water...

...FYI: Our sources say the powerful Howard Jarvis Taxpayers Assn. will either be neutral or be in opposition. Why would HJTA be opposed when this organization has been a champion of a 2/3rds vote? According to an op-ed piece by current HJTA president Jon Coupal and former HJTA leader Joel Fox, "The problem for grass-roots taxpayer groups is that these same business leaders (in support of a 2/3rds vote to impose mitigation fees/taxes) want to lower the 2/3rds vote on other levies that all taxpayers must pay." Coupal and Fox are referring to the business community's support for Prop. 26 and Son of Prop. 26 – requiring less than a 2/3rds vote to approve local school bonds. HJTA sees the business community as being a bunch of hypocrites. And in case it escaped you, the lead consultant for this fee/tax initiative (Goddard/Claussen) is also the lead consultant for the Son of Prop. 26 campaign. Stay tuned...

CAMPAIGN 2000: 15TH CD – HONDA VS. CUNNEEN.

Editor's note: All sources agree that the open 15th CD Silicon Valley battle between Assemblymembers Mike Honda(D) and Jim Cunneen(R) will be one of the key U.S. House races to watch. Here's our first update & analysis since the Mar. 7th primary...

...Control of the U.S. House of Representatives could be determined by the outcome in the 15th CD race. Right now, Calpeek sources rate the contest as a toss up. That's why both Demos and GOPers will be pumping a ton of money into this race. Cunneen currently has a lead in fundraising; he's got \$178,562 cash on hand vs. Honda with an \$86,000

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debt. That's not surprising given the nature of the primary, where Honda had 4 opponents, including *deep pocketed* Bill Peacock. Cunneen faced one underfunded GOP rival, thus Cunneen wisely saved his money for the runoff. As Calpeek noted last week, Cunneen raised more than \$436,000 during the primary, while Honda raised nearly \$550,000 during this same period...

...In the primary, despite 4 opponents, Honda led the entire field of candidates and got 39.3% of the open primary vote. Cunneen was 2nd with 33.3%. The overall Demo vote was 86,410 vs. 55,886 for the GOP --- and remember, there was a lively McCain vs. Bush presidential primary. Honda's team, led by consultant Richie Ross, likes to point to the primary results. Cunneen's team, led by consultant Kevin Spillane, tends to downplay the primary. There's no current polling, but when that happens, Honda uses Garin-Hart-Yang Research, while Cunneen uses Public Opinion Strategies...

...Cunneen, 38, was a executive with Applied Materials prior to his election to the Assembly in 1994. Honda, 59, was a Santa Clara Co. Supervisor prior to his election in 1996. Both are pro-choice on abortion and are moderates on most social issues (guns/gays). Lots in common, but they also disagree on a number of key issues...

...Honda has better record on environmental issues, but Cunneen usually gets the *highest scores* of any GOPer in the Legislature. But Cunneen did vote against SB 115 (Environmental Justice) and was against SB 993(Toxic School Sites). Honda voted YES on both...

...Honda has a 100% pro-labor voting record, which Cunneen's team likes to point to. In the 15th CD, that's not necessarily a negative. AFL-CIO gave Cunneen a 27% rating. On the flip side, on the repeal of the 40-hour work-week vs. 8-hour over-time rule, Honda voted with labor and Cunneen was opposed. Cunneen has a 100% Calif. Chamber of Commerce voting record vs. 33% for Honda in 1999. Cunneen has lots of support from the high tech folks, but Honda is trying to make inroads...

...Other differences: on Prop. 26 (50% vote on local school bonds), Honda was YES, Cunneen was NO; on Props. 30-31, Honda was YES and Cunneen was NO (that was trial lawyers vs. insurance companies, with insurance companies on the NO side)...

...FYI: *The Campbell Factor*. The Campbell in this case is current U.S. Rep. Tom Campbell(R-15th CD), who is running for the U.S. Senate. Campbell was an early supporter for Cunneen's and sources say he is both a plus and minus

for Cunneen. Campbell favors taxing the internet/Cunneen is opposed. Campbell is very anti-Israel/Cunneen says he pro-Israel. Question: will Campbell's support help or hurt Cunneen? Stay tuned...

CAMPAIGN 2000: CALIFORNIA INITIATIVE CHART

Editor's note: This chart shows which initiatives are currently being circulated for the November 2000 ballot. Petition consultants think they can still qualify by turning petitions by mid-May. This chart contains the initiative's abbreviated name, the deadline for submitting petitions and whether the measure is a statute(S) or constitutional amendment(C/A). Only 1 initiative has qualified (Contracting Out initiative). Here's the rundown. Items in **bold** stand a good chance to qualify for the Nov. 7, 2000 ballot. As of deadline, there were no initiatives pending with the AG...

Drug Treatment Diversion I & II	5/8	S
School Vouchers	5/8	C/A
Civil Rights	5/8	C/A
Nat'l Average School Spending	5/19	C/A
Reapportionment (Westmiller)	5/25	C/A
Definition of a Person	5/25	C/A
Internet Voting (Strassman)	5/25	S
Restricting 3-Strikes	5/26	S
Identity Verification	5/26	S
Fees/Taxes – New Definition	5/26	C/A
Identity Theft	5/26	S
Limiting 3-Strikes	6/1	S
Right to Keep & Bear Arms	6/5	C/A
Medi-Cal Lien	6/5	S
Class Size Reduction	6/5	S
Internet Voting (Adler)	6/5	S
Defense of Initiatives	6/19	C/A
Prayer in Public Schools	6/19	C/A
Class Size Reduction – Sales Taxes	6/19	S
Legalized Gambling II (Wilson)	6/26	C/A
Tobacco Settlement Funds I	6/26	S
Tobacco Settlement Funds II	6/26	S
Ban of Telemarketing Calls	6/26	S
Legislators/Officers Salary	7/14	C/A
Reapportionment (Costa)	7/14	C/A
Referendum Process	7/24	C/A
Santa Barbara Insanity Action	7/24	S
2/3rds Reapportionment Vote (Jones)	7/31	C/A
Campaign Reform (Jones)	7/31	S
Reapportionment (Jones)	7/31	C/A
Reapportionment Commission	7/31	C/A
No Public School Funding	8/7	C/A
Campaign Reform I (Sept. Primary)	8/14	S
Campaign Reform II (June Primary)	8/14	S
Repeal of Prop. 209	8/21	C/A
Legislative Term Limits	8/28	C/A
School Facilities/55% Local Vote	9/11	C/A
Restrictions on Judicial Immunity	9/11	C/A

CAMPAIGN 2000: LOCAL INITIATIVES IN SPOTLIGHT.

Editor's note: Although there are certainly many more local initiatives attempting to qualify for the Nov. 7th ballot, here's an update on several very controversial measures trying to make the ballot for November 2000...

● ***Tobacco Settlement Funds – Citizens Health Alliance to Reinvest the Tobacco Settlement*** (aka: CHARTS) is very close to qualifying its initiative in Orange Co. If approved, the CHARTS initiative would require that 80% of Orange Co.'s share of the funds (estimated at \$30-38 million a year over 25 years) be used for health-related services, with the other 20% going to the Sheriff/Coroner. As it stands now, the O.C. Board of Supes wants to use the settlement funds for jail beds and to pay off the bankruptcy bonds. In order to qualify, CHARTS needs 71,206 valid signatures. They are shooting for 105,000. Arno Political Consultants is handling the petition drive and sources expect the petitions will be turned in very soon...

...The CHARTS coalition includes the Orange Co. Medical Assn., AARP-Orange Co., former State Sen. Marian Berguson, current State Sen. Joe Dunn(D), and the Orange Co. Emergency Room Physicians...

● ***Term Limits for L.A. Co. Supes*** – L.A. County voters may actually see 3 somewhat-related measures on the local ballot Nov. 7th. One is an initiative which would limit county supervisors to no more than 2 terms in office. This measure is sponsored by VOTE (Voters Organized for Trustworthy Elections). The money behind this effort is being supplied by Citizens for Term Limits, a group controlled by former L.A. Co. Sup. Pete Schabarum. The spokesperson for the initiative is Christopher Skinnell (909)263-6015. There is no campaign mgr. Beyond the qualification effort, there's no word on whether Schabarum's committee will pop for any additional funds. VOTE may not need a huge war chest, because Calpeek sources suspect the timing to be right for a term limit measure. Arno Political Consultants is handling the petition drive, which requires 197,568 valid signatures. VOTE is shooting for 280,000. Deadline is July 6th...

...In addition to term limits, L.A. Co. Sup. Zev Yaroslavsky has two measures in the works. One would increase the size of the Board from the current 5 to 9 supes; while the other measure would establish the Office of County Executive – a mayor for L.A. County. Look for action on these two Yaroslavsky measures by late May or early June. FYI: State Sen. Richard Polanco(D-L.A.), is prodding the supervisors with legislation which would impose term limits, increase the board from 5-to-9 and would slash the budget of each supe...

L.A. 2001 ELECTION BATTLE IS ALREADY HOT IN RACE FOR CITY ATTORNEY & CITY CONTROLLER.

Editor's note: Down ballot races don't get much respect, except from publications such as Calpeek. So this week we'll take a brief glance at the 2001 battle for L.A. City Attorney and L.A. City Controller...

◆ ***L.A. City Attorney*** – Don't think there's any doubt that L.A. Councilman Michael Feuer of the 5th District is the undisputed frontrunner to replace Jim Hahn as city attorney. That doesn't mean he'd win a popularity contest among city hall insiders or with his council colleagues. He comes across as arrogant and that doesn't sit well with lots of folks. But he went out fast, announced early and has about \$225,000 in the bank for 2001. Larry Levine is his consultant and savvy fundraiser Alison Morgan is aboard too. Endorsements from U.S. Rep. Henry Waxman, Controller Rick Tuttle, Councilmembers Wachs, Miscikowski, Chick, Galanter and Ridley-Thomas go well with former State Sen. Alan Sieroty and former Demo Assembly Leader Richard Katz. He's also got the L.A. City Attorneys Assn. and United Firefighters of L.A., to name but a few in a long list of endorsers...

...L.A. Co. Dep. DA Lea Purwin D'Agostino, fresh off a big win in a 20-year-old murder re-trial; and L.A. Deputy Mayor Rocky Delgadillo are more recent entries into the race and are playing catch up. D'Agostino, the *only prosecutor* in the race thus far (and she will have that great ballot title too) has hired consultant Rick Taylor and fundraiser Kimberly Ray. Delgadillo has hired Chicago-based David Axelrod (who did the media for Gray Davis when the later was LG). Fairbank, Maslin, Maullin will handle polling and Alice Borden is Delgadillo's fundraiser...

...In the *just looking category* are Jonathan Shapiro, chief of staff to LG Cruz Bustamante; and Demo Assemblyman Wally Knox, who just this past March was defeated for the State Senate...

◆ ***L.A. City Controller*** – Replacing Rick Tuttle won't be easy. He's a fixture at city hall and last time out won with 70% of the vote. Two names have surfaced: L.A. Councilwoman Laura Chick, who announced last September after first flirting with a run for mayor. She's a solid fundraiser and has about \$260,000 in the bank. Her campaign team includes consultants Steve Afriat & Rick Taylor; and the fundraising team of Pat Bradford & Brian Rix...

...Only one other name has surfaced: J. Paul Brownridge, the current L.A. City Treasurer, who was appointed to this

office in 1991 by the late Tom Bradley. But it's not certain he'll run for controller. He's also looking at city attorney and a council seat...

...In the *just looking category*, there's State Sen. Richard Alarcon (D-San Fernando Valley), although sources say he's not going to run; and State Sen. Tom Hayden. Definitely not running are two of L.A. Mayor Richard Riordan's deputies: Kelly Martin and Noelia Rodriguez. Stay tuned...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **Brulte Replaces Johnson** – State Senate GOP Caucus Chair Jim Brulte of Rancho Cucamonga is the new GOP Senate Leader. Ross Johnson, who has held the post since 1998, stepped down suddenly April 27th, citing personal and family health reasons. Brulte, 44, already has a full platter when it comes to political chores. He's a key player in the Calif. Bush 2000 campaign and he's a key operative for the *Victory 2000* GOP coordinated campaign in Calif. Sources speculate that Brulte will name Senators Chuck Poochigian and Maurice Johannessen as his key deputies. Johnson's announcement caught everyone by surprise, including Brulte and Senate PPT John Burton (D)...

■ **CTA's Dilemma** – When it comes to school vouchers, that's the CA Teachers Assn. #1 enemy. And it looks very much like Silicon Valley businessman Tim Draper's voucher measure will qualify for Nov. 7th. The dilemma is this: the CTA also is in the process of trying to qualify an initiative which will raise Calif.'s school spending up to the national average – about \$6 billion needed to do the job. But can CTA wage an expensive campaign against vouchers and battle to pass it's own initiative? Our sources say *no way*. Is there a compromise? Perhaps. CTA, which has had problems with their one-time ally, Gov. Gray Davis, is said to be talking with him again and they're waiting to see what gives with the 2000-01 budget. The May revise is due May 15th and according to State Senate Budget Chair Steve Peace (D), Legislative Analyst Liz Hill is predicting revenue estimates \$10 to \$13 billion higher than Gov. Davis' original estimate made last fall. If that's the case – and the CTA and Davis can reach an agreement on more school spending – then it's likely CTA may not even turn in the initiative petitions. There's no doubt they have the signatures to qualify...

■ **Son of Prop. 26** – According to Calpeek sources, after the original Prop. 26 went down to a narrow defeat, Jon Coupal from the Howard Jarvis Taxpayers Assn. contacted Silicon Valley supporters of 26 and told them that the tax-

payer organization was prepared to back a very large school construction bond measure the Nov. 7th ballot. However, that proposal was *rejected* by the Silicon Valley guys in favor of what the HJTA calls "another property tax hike."...

■ **Now Garcetti Wants to Debate** – L.A. Co. DA Gil Garcetti, who refused to debate his two opponents during the primary, now has had a change of heart. He wants *weekly debates* with L.A. Co. Chief Deputy DA Steve Cooley, who finished ahead of Garcetti in the primary and now has a huge lead in the latest L.A. Times poll. Weekly debates will get tiresome very quickly and now is a dead time in terms of public interest. But if Garcetti wants to debate, how about the Rosenkrantz Case as a topic. Garcetti is *not* opposed to well-connected killer Robert Rosen-krantz getting parole. There's no dispute that Rosenkrantz killed a young man with an Uzi back in 1985 – pumping 10 bullets into Steven Redman, who along with Robert's brother, Joseph, exposed young Rosenkrantz to his family as a homosexual. The case has even spilled over into the confirmation hearings of Gov. Davis' appointment of Leonard Munoz to the State Board of Prison Terms. Davis is opposed to Rosenkrantz getting parole and in return Senate PPT John Burton is holding up Munoz's appointment. Rosenkrantz is serving 15-to-life with an additional 2 years for the gun charge. He was convicted of Murder 2 – not Murder 1. The L.A. Co. jury found it was an intentional killing, but not premeditated. Rosenkrantz's beef with the parole board is that it treated the murder as an aggravated Murder 1, an intentional killing while lying in wait. In other words, Rosenkrantz's legal team says the board is second-guessing the jury. FYI: under 10-20-life approved in 1998, the minimum sentence for Rosenkrantz today would be 40 years...

■ **RNC Wants Calif. Primary In June** – The Republican Nat'l Committee is proposing that Calif.'s early primary for 2004 be pushed back to June. This didn't go over well with the CA Demo Party's resident GOP basher – CDP advisor Bob Mulholland, who faxed a memo to RNC Chair Jim Nicholson. The fax read in part: "Having our primary in June is like being the last Husky in a dog sled team. You are the last dog to get fed and petted. Drop dead with this stupid idea. Sincerely..."

CALPEEK'S CALENDAR OF POLITICAL EVENTS

May 11	Central City Assn. of L.A. Annual luncheon at Bonaventura Hotel, L.A.
June 2	24 th Annual Field Institute workshop, S.F.
June 8	VICA's 23 rd Annual dinner, Universal City.
June 22-24	17 th Annual Conf. of Nat'l Assn. of Latino Elected & Appointed Officials, Denver, CO.